



NEWS RELEASE

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2004 Highlights of Deepwater Frontier Are Focus of New Report

NEW ORLEANS - The latest edition of an annual report, [Deepwater Gulf of Mexico 2005: Interim Report of 2004 Highlights \(OCS Report \(MMS 2005-023\)\)](#), has been released by the Minerals Management Service. Gulf of Mexico OCS Region, MMS Regional Director Chris Oynes announced the release of the report today at the Offshore Technology Conference in Houston.

The report is a shorter, updated version of the biennial report chronicling the activities of the oil and gas industry in the deepwater (1,000 ft of water or more) Gulf of Mexico over the past thirteen years and, in particular, the year 2004.

“The deepwater Gulf of Mexico continues to be an expanding frontier with many new discoveries and new geologic plays,” said Oynes. Oynes noted the following significant accomplishments and trends in the deepwater Gulf of Mexico:

- There are 107 deepwater projects on production as of March 2005. Production from the deepwater frontier grew to an estimated 922,000 barrels of oil per day and 3.9 billion cubic feet of natural gas per day by the end of 2004. Deepwater oil production accounted for approximately 64 percent of the Gulf’s oil production in 2004.
- Significantly, in the last four years, there have been 18 industry-announced discoveries in water depths greater than 7,000 feet.
- A record 16 exploratory wells drilled in water depths greater than 7,500 feet.
- A record number of four spars were installed in 2004.
- Significant strides were made to bring the Chevron Texaco Tahiti Project on production.
- The installation of the world’s largest spar at Holstein in Green Canyon Block 644 and the world’s first cell spar at Red Hawk in Garden Banks Block 877.
- The installation of the deepest tension-leg platform (TLP) in the world, Magnolia, Garden Banks Block 783 in 4,674 ft of water.

In another industry first, several independent exploration and production companies formed a consortium known as the Atwater Valley Producers Group to facilitate the development of multiple ultra-deepwater discoveries in the previously untapped Eastern Gulf of Mexico through the development of the “Independence Hub.” This natural gas facility is expected to start production in 2007 and will involve subsea well production from eight projects to a facility located in the Central Gulf Planning Area.

Subsea production has expanded from a water depth of 1,462 ft with Placid Oil Company’s Green Canyon Block 29 project in 1988, to 5,318 ft with Shell’s Mensa in 1997, and to 7,591 ft with Shell’s Coulomb/Na Kika project in 2004. The Na Kika production facility now supports six subsea tieback projects: East Anstey, Fourier, Herschel, Ariel, Coulomb, and Kepler.

Copies of this new report can be obtained from MMS, Gulf of Mexico OCS Region, free of charge, either in paper copies or on a single compact disc, by visiting the Public Information Office at Regional headquarters, 1201 Elmwood Park Blvd., New Orleans, Louisiana 70123, or by telephoning 1-800-200-GULF (736-2519 local). Ask for OCS Report MMS 2005-023, *Deepwater Gulf of Mexico 2005: Interim Report of 2004 Highlights*. The entire report, in Adobe’s PDF format, can be found on the [MMS website](http://www.mms.gov).

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with Fiscal Year 2004 disbursements of approximately \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for cooperative conservation, grants to states, and Federal land acquisition, gets nearly \$1 billion a year.

MMS Main Website: www.mms.gov
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